Government of
Saskatchewan

Annual Report
1985

Forty-first
Annual Report
of the
Saskatchewan
Liquor Board
Superannuation
Commission
for the year ended
December 31, 1985

Saskatchewan Liquor Board Superannuation Commission

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Saskatchewan
Liquor Board
Superannuation
Commission

Regina, Saskatchewan

The Honourable F. W. Johnson
Lieutenant Governor
Province of Saskatchewan

Sir:

I have the honour to submit herewith the forty-first Annual Report of the Saskatchewan Liquor Board Superannuation Commission, together with the financial statements, for the fiscal year ending December 31, 1985, pursuant to the provisions of Section 54 of The Liquor Board Superannuation Act.

Respectfully submitted,

Graham Taylor

D. Graham Taylor
Minister in Charge
Liquor Board
Superannuation Commission

Saskatchewan
Liquor Board
Superannuation
Commission

Regina, Saskatchewan

The Honourable D. G. Taylor
Minister in Charge
Liquor Board Superannuation Commission
Regina, Saskatchewan

Sir:

I have the honour to submit herewith the forty-first Annual Report of the Liquor Board Superannuation Commission, together with the financial statements, for the fiscal year ending December 31, 1985, pursuant to the provisions of Section 54 of The Liquor Board Superannuation Act.

Respectfully submitted,

Brian Smith

Brian Smith
Chairman

The Liquor Board Superannuation Commission

Introduction

The Commission, which consists of three members appointed by the Lieutenant Governor in Council, is responsible for the administration of The Liquor Board Superannuation Act.

The primary objective of the Commission is to provide superannuation allowances to employees who retire and to the dependents of deceased superannuates and employees, in accordance with the Act.

Contributions and Payments

During the calendar year ended December 31, 1985 employees' contributions to the Liquor Board Superannuation Fund amounted to $319,156. Employer contributions of $1,066,293 were made to the Fund.

Allowances paid during the year to superannuates, and to the spouses and children of deceased superannuates and employees, amounted to $1,881,597.

Retirements and Deaths

Ten employees retired during the year:

Normal retirement at age 65	5
Optional retirement after age 60 with minimum 20 years service	4
Optional retirement after age 60 with minimum 15 years service	1
Total	10

For further details, see Tables 1 and 2.

During the year ten superannuates receiving an allowance died. A superannuation allowance was granted to the spouses of five deceased superannuates. In the other five deaths, there were no beneficiaries.
(See Tables 3 and 4).

Legislation

As a result of The Superannuation (Supplementary Provisions) Amendment Act, 1985, supplementary allowances are now granted on a flat percentage basis rather than as a specific number of dollars per year of service. The supplementary allowance for superannuates in receipt of an allowance at January 1, 1985 was 2.37%.

In addition, the government granted a one-time special adjustment to superannuate's pensions for the past effects of inflation. The individual adjustments varied from 0.4% to 4.0% depending on when the superannuate's allowance commenced.

Administration

The Public Employees Benefits Agency, in the Department of Revenue and Financial Services, is responsible for the operation, administration and management of the Liquor Board Superannuation Plan.

The Commission extends its appreciation to the diligent staff of the Public Employees Benefits Agency responsible for the day to day administration and accounting requirements of the Liquor Board Superannuation Plan and to employees of the Liquor Board for their co-operation and assistance during the year.

Liquor Board Superannuation Commission

Brian Smith	**Chairman**
Martin P. Pederson	**Member**
Kenneth A. Cantin	**Member**

Table 1 Allowances Granted to Employees

Name	Position	Effective Date
Employees Retired Having Attained the Age of Retirement — Age 65		
Soder, Edward L.	L.S. Asst. Mgr. II	Feb. 1/85
Keith, John A.	L.S. Mgr. IV	July 1/85
Petruic, Dan	Machine Operator	Sept. 1/85
Shedlowski, Joseph	L.S. Clerk II	Oct. 1/85
Johnston, W. Douglas	Liq. Lic. Comm.	Dec. 1/85
Employees Retired at Their Option After Age 60 — Reduced Allowance		
Niebergall, Bernice	Acctg. Clerk	Jan 1/85
Employees Retired at Their Option After Age 60 — No Reduction		
Derkack, John	L.S. Mgr. IV	Jan. 6/85
Wyse, Thomas G.	L.S. Mgr. I	Jan. 1/85
Weir, John S.	Dir. of Liquor Lic.	Mar. 6/85
Stavenjord, Harold	L.S. Mgr. IV	Dec. 1/85

Table 2 Allowances Granted to Employees

	Final Monthly Salary	Age	Years of Service	Annual Allowance
Employees Retired Having Attained the Age of Retirement — Age 65				
1.	2,217.06	65	16.50	5,477.96
2.	2,835.38	65	40.88	21,195.44
3.	918.78	65	19.08	5,301.72
4.	479.43	65	42.15	14,787.72
5.	2,564.32	65	10.75	4,675.08
Employees Retired at Their Option After Age 60 — Reduced Allowance				
1.	1,857.60	61	18.48	9,281.16
Employees Retired at Their Option After Age 60 — No Reduction				
1.	2,583.08	61	41.61	22,004.76
2.	2,112.00	60	23.35	13,639.44
3.	3,399.69	60	27.99	19,507.56
4.	1,291.54	62	32.99	19,357.32

Table 3 Allowances Granted to Spouses of Deceased Superannuates

Name of Superannuate	Date of Death	Age at Death
Zvanciuk, Thomas	Dec. 27/84	87
Blake, William	Dec. 17/84	76
McDonald, John J.	Feb. 25/85	91
Messner, May L.	Jan. 9/85	89
Victor, John N.	Apr. 29/85	64
Upcott, Richard	May 17/85	73
Bell, Gladys	July 12/85	89
Scott, Walter James	July 17/85	66
Thiele, Frank	Sept. 1/85	67
Thompson, Ivy	Sept. 13/85	90

Table 4 Allowances Granted to Spouses of Deceased Superannuates

	Annual Allowance at Death	Annual Allowance Payable to Spouse	Effective Date
1.	4,365.36	2,619.22	Jan. 1/85
2.	3,690.60	2,214.35	Jan. 1/85
3.	6,205.56	3,723.36	Mar. 1/85
4.	2,243.04	No Beneficiary	
5.	13,630.92	8,178.54	Apr. 30/85
6.	8,468.40	No Beneficiary	
7.	4,872.72	No Beneficiary	
8.	6,486.84	No Beneficiary	
9.	14,886.84	14,886.84	Oct. 1/85
10.	764.40	No Beneficiary	

Saskatchewan
Liquor Board
Superannuation
Commission

Liquor Board Superannuation Fund

Financial Statements

Year Ended December 31, 1985

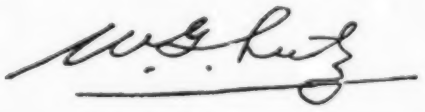
Saskatchewan
Liquor Board
Superannuation
Commission

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of Liquor Board Superannuation Fund as at December 31, 1985 and the statements of revenue, expenditure and accumulated fund balance, and receipts and disbursements for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the fund as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
April 25, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement 1

Liquor Board Superannuation Fund
Balance Sheet

December 31, 1985
(with comparative figures for the previous year)

	1985	1984
Assets		
Cash	$ –	$ 8,519
Accounts receivable – Employer's contributions	77,970	82,186
– Employees' contributions	21,960	24,139
– Transfer from Other Plan	31,853	–
– Other	11,507	1,760
Investments (Schedule 1)	9,596,056	8,693,537
Accrued interest	243,384	194,983
	$ 9,982,730	$ 9,005,124
Liabilities and Accumulated Fund Equity		
Accounts payable	1,876	–
Bank overdraft	27,735	–
	29,611	–
Fund equity:		
Accumulated fund balance (Statement 2) (Note 5)	9,953,119	9,005,124
	$ 9,982,730	$ 9,005,124

(See accompanying notes to the financial statements)

Statement 2

Liquor Board Superannuation Fund
Statement of Revenue, Expenditure and Accumulated Fund Balance

Year Ended December 31, 1985
(with comparative figures for the previous year)

	1985	1984
Revenue:		
Contributions from employers (Note 3)	$ 1,066,293	$ 1,130,742
Interest revenue	1,106,141	992,741
Contributions of employees	319,156	338,347
Transfer from other plans	31,853	—
Gain on sale of investments (net)	317,891	122,525
	2,841,334	2,584,355
Expenditure:		
Superannuation allowances	1,881,597	1,715,590
Refund of equity to the estate of superannuates	11,742	—
Refund of contributions	—	23,669
Interest on refund of contributions to employees who resigned	—	8,089
	1,893,339	1,747,348
Excess of revenue over expenditure	947,995	837,007
Accumulated fund balance, beginning of year	9,005,124	8,168,117
Accumulated fund balance, end of year (Statement 1)	$ 9,953,119	$ 9,005,124
Comprised of:		
Employees' accumulated contribution (Note 5)	$ 2,717,476	$ 2,534,282
Unallocated (Note 5)	7,235,643	6,470,842
	$ 9,953,119	$ 9,005,124

(See accompanying notes to the financial statements)

Statement 3

Liquor Board Superannuation Fund
Statement of Receipts and Disbursements

Year Ended December 31, 1985
(with comparative figures for the previous year)

	1985	1984
Receipts:		
Contributions by employees	$ 321,336	$ 335,090
Contributions by the employers	1,070,509	1,128,560
Interest received	904,822	805,890
Proceeds from maturities and sales of investments	13,683,077	9,261,011
Recovery from Saskatchewan Liquor Board	759	759
	15,980,503	11,531,310
Cash, beginning of year	8,519	14,533
	$15,989,022	$11,545,843
Disbursements:		
Superannuate allowance payments	$ 1,879,722	1,717,128
Cost of living bonus	759	759
Refund of contributions	—	23,669
Interest on refund of contributions	—	8,089
Refund of equity to superannuates' estates	11,742	—
Investments purchased at cost	14,124,534	9,787,679
	16,016,757	11,537,324
Cash, end of year	(27,735)	8,519
	$15,989,022	$11,545,843

(See accompanying notes to the financial statements)

Liquor Board Superannuation Fund

Notes to Financial Statements

Year Ended December 31, 1985

1. Significant Accounting Policies

a) **Basis of Accounting**

The accounts are maintained on an accrual basis of accounting.

b) **Investments**

Investments of the fund are recorded at cost. Discounts and premiums on purchase are amortized on a straight-line basis over the life of the investments.

c) **Administrative Costs**

The fund is managed by the Public Employees Benefits Agency. Accordingly no provision for administrative costs has been reflected in these financial statements.

2. Description of the Fund

The fund was established under The Liquor Board Superannuation Act. Membership is comprised of employees and board members who were enrolled on October 1, 1977 and who did not elect to transfer to the Public Employees (Government Contributory) Superannuation Plan prior to October 1, 1978.

3. Fund Contributions

Member contributions are based on a percentage of salary. The contributions required by the employer are calculated by applying a predetermined rate to the member's contributions.

4. Unfunded Liability

The most recent actuarial valuation of the Saskatchewan Liquor Board Superannuation Plan estimated that on December 31, 1981 the fund had an unfunded actuarial liability of $15,205,245. The Saskatchewan Liquor Board is obligated to fund any deficiency to meet retirement benefits and withdrawals.

5. Accumulated Fund Balance

a) **Unallocated**

The accumulated fund balance represents the balance of all amounts contributed by former members who themselves or whose beneficiaries are receiving allowances, all amounts contributed by the employer and all interest earned and gains or losses realized on sale of fund investments, reduced by allowances paid to superannuates and interest on contribution refunded to members who have resigned.

b) **Employees' Accumulated Contributions**

This amount represents the accumulated amounts that have been contributed to the fund by current Board employees or former employees who are not yet in receipt of benefits.

6. Comparative Figures

Prior year's figures have been reclassified to conform with the current year's presentation.

Schedule 1

Liquor Board Superannuation Fund
Schedule of Investments

December 31, 1985
(with comparative figures for the previous year)

	1985	1984
Bonds		
Government of Canada	$ 1,276,136	$ 594,817
Province of Saskatchewan	1,489,631	1,917,833
Other Provincial and Provincially Guaranteed	787,047	762,949
School Units and Districts	13,971	21,941
Corporate	2,814,954	2,422,750
	$ 6,381,739	$ 5,720,290
Mortgages		
Co-operative Trust Company	249,938	249,938
Morguard Trust Company	530,939	531,374
Shares	691,932	979,746
Short-term Investments	1,741,508	1,212,189
Total Investments (Statement 1)	$ 9,596,056	$ 8,693,537

Bonds, mortgages and shares had a quoted market value of $8,821,446 on December 31, 1985 (1984 — $7,735,743). Short-term investments are valued at cost, which approximates market value.

Schedule 2

Liquor Board Superannuation Fund
Schedule of Investment Transactions

Year Ended December 31, 1985

Bonds and Debentures

Purchased	Maturity Date	Interest Rate	Cost	% Yield	Par Value
Government of Canada	May 1, 2002	10.00	$ 247,500.00	12.495	$ 300,000
Government of Canada	December 15, 2002	11.25	68,718.75	12.42	75,000
Government of Canada	March 1, 1994	12.00	498,750.00	12.07	500,000
Government of Canada	April 1, 1995	11.25	498,500.00	11.30	500,000
Government of Canada	March 1, 1994	12.00	533,125.00	10.80	500,000
Government of Canada	December 6, 1987	9.25	149,731.50	9.35	150,000
Ontario Hydro	January 25, 2005	9.375	549,240.00	10.40	600,000
Producers Pipeline	June 30, 1995	12.00	500,000.00	12.00	500,000
			$3,045,565.25		$ 3,125,000

Sold or Matured	Maturity Date	Interest Rate	Received	Book Value	Par Value
Government of Canada	February 1, 2004	10.25	$ 64,031.25	$ 74,856.99	$ 75,000
Government of Canada	December 15, 2002	11.25	250,662.50	247,457.50	275,000
Government of Canada	March 1, 1994	12.00	518,750.00	498,761.68	500,000
Government of Canada	April 1, 1995	11.25	516,250.00	498,512.71	500,000
Province of Saskatchewan	April 1, 2001	10.25	247,075.00	225,139.76	250,000
Province of Saskatchewan	May 15, 2004	10.00	314,372.50	220,318.93	325,000
Province of Quebec (Coupons)	October 20, 1996	—	648,211.87	598,417.68	2,156,250
Nova Scotia Power	January 10, 2003	9.375	43,575.00	49,563.20	50,000
Saskatoon S.D. #13	October 16, 1984-87	7.25	8,000.00	8,000.00	8,000
B.C. Telephones	June 15, 1999	9.70	90,500.00	99,841.35	100,000
Producers Pipeline	June 30, 1995	12.00	10,185.18	10,185.18	10,185
			$2,711,613.30	$2,531,054.98	$ 4,249,435

Net decrease in Bonds and Debentures at Par Value ($4,249,435-$3,125,000)	$ (1,124,435)
ADD: Total as at December 31, 1984 at Par Value	7,885,250
Total Bonds and Debentures (Par Value) December 31, 1985	6,760,815
LESS: Unamortized Discount	379,076
Total Bonds and Debentures (at Amortized Cost) December 31, 1985	6,381,739
Total Bonds and Debentures (at Amortized Cost) December 31, 1984	5,720,290
Net increase in Bonds and Debentures at Amortized Cost	$ 661,449

Insured Mortgages at Cost — Transactions

During the year 1985	Interest Rate	Purchased	Discount Amortized	Disposed	Net
Morguard Trust					
— John Remai	13.625	$ —	$ —	$ 685	$ (685)
— Dahlen (Aspen) Holding	10.75	—	4,340	3,863	477
— Country Club Estates	10.125	—	1,640	1,867	(227)
Totals		**$ —**	**$ 5,980**	**$ 6,415**	**$ (435)**

Corporate Shares at Cost — Transactions

During the year 1985	**Shares**	**Purchased**	**Disposed**	**Net**
Bank America Corp.	7,500	$ —	$ 223,534	$ (223,534)
Mobil Corp.	4,000	—	166,382	(166,382)
Eli Lilly & Co.	3,000	—	230,398	(230,398)
American Hospital Supply	5,000	206,815	206,815	—
Canadian Pacific Ltd.	10,000	192,500	—	192,500
First Merchants Equity Inc.	40,000	140,000	—	140,000
Honeywell Inc.	4,000	331,047	331,047	—
North American Phillips	7,300	341,556	341,556	—
Totals		**$ 1,211,918**	**$ 1,499,732**	**$ (287,814)**

Short-Term Investments	**Purchased**	**Disposed**	**Net**
Transactions during the year	$ 9,807,052	$ 9,277,733	$ 529,319

Summary of Investments Transactions (At Cost)	
Increase in Bonds and Debentures at Amortized Cost	$ 661,449
Decrease in Insured Mortgages	(435)
Decrease in Corporate Shares	(287,814)
Increase in Short-Term	529,319
Total Investment Transactions	$ 902,519
Investments, beginning of year (at Cost)	8,693,537
Investments, end of year (at Cost)	$ 9,596,056